

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY LONDON

C O N F I D E N T I A L STATE 215623

FOLLOWING REPEAT STATE 215623 ACTION BRIDGETOWN INFO  
USUN NEW YORK 30 SEPTEMBER.

QUOTE

C O N F I D E N T I A L STATE 215623

E.O. 11652: GDS

TAGS: PFOR, BB

SUBJECT: GRENADIAN PRIME MINISTER GAIRY'S MEETINGS WITH  
ACTING ASSISTANT SECRETARY BOWDLER AND ASSISTANT  
ADMINISTRATOR FOR LATIN AMERICA KLEINE

1. GRENADA PRIME MINISTER ERIC GAIRY CALLED ON ACTING  
ASSISTANT SECRETARY BOWDLER AND ASSISTANT ADMINISTRATOR FOR  
LATIN AMERICA KLEINE ON SEPTEMBER 27, 1974. PRIME MINISTER  
GAIRY WAS ACCOMPANIED BY CARL BUXO HIS SPECIAL ASSISTANT  
FOR EXTERNAL AFFAIRS, AND DR. JOSE CHAVES, AN "ADVISOR" TO  
PRIME MINISTER. ALSO PRESENT WERE WILLIAM B. WHEELER,  
ARA-LA/CAR; THOMAS E. MACKLIN, ARA/CAR.

2. GAIRY MADE A SPECIAL APPEAL TO THE USG TO PROVIDE  
IMMEDIATE BILATERAL ASSISTANCE TO THE GOVERNMENT OF GRENADA.  
HE BLAMED DISORDERS WHICH ACCOMPANIED GRENADIAN INDEPEN-  
DENCE ON THE SUBVERSIVE INFLUENCE OF BLACK POWER ELEMENTS  
FROM OUTSIDE GRENADA. HE SAID THESE DISORDERS HAD INTER-  
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RUPTED TOURISM AND, BY CLOSING THE PORT MADE IT IMPOSSIBLE

FOR THE GOG TO MARKET ITS AGRICULTURAL PRODUCE. CONSEQUENTLY, THE GOG FOUND ITSELF IN DIRE ECONOMIC STRAITS, UNABLE EVEN TO PAY GOVERNMENT SALARIES. WITHOUT PROVIDING SPECIFICS, GAIRY STATED THE GOG NEEDED EMERGENCY ECONOMIC ASSISTANCE TO HELP MEET RECURRENT GOVERNMENT EXPENDITURES AND TO HELP PROVIDE JOBS FOR GRENADIAN YOUTH. TRINIDAD AND TOBAGO, JAMAICA AND GUYANA HAD PROVIDED SOME FINANCIAL

ASSISTANCE BUT THAT HAD BEEN TERMINATED AFTER IT WAS MADE PUBLIC AND BROUGHT THOSE GOVERNMENTS INTO CRITICISM BY THEIR OPPOSITION PARTIES IN PARLIAMENT. HE INTIMATED THAT CHINA, NORTH KOREA AND NORTH VIET-NAM HAD MADE GESTURES TOWARD GRENADA.

3. ACTING ASSISTANT SECRETARY BOWDLER STATED THE US IS PROUD OF ITS LONG AND CORDIAL RELATIONSHIP WITH THE COMMONWEALTH CARIBBEAN AND INDICATED WE WISHED TO CONTINUE THIS RELATIONSHIP WITH GRENADA. BOWDLER EXPLAINED THAT OUR POLICY WAS TO CHANNEL DEVELOPMENT ASSISTANCE INTO THE EASTERN CARIBBEAN THROUGH INTERNATIONAL MECHANISMS. THE USG HAD ALREADY PROVIDED 32.3 MILLION DOLLARS IN SOFT LOANS TO THE CARIBBEAN DEVELOPMENT BANK (CDB) FOR RE-LENDING TO COUNTRIES OF THE AREA, INCLUDING GRENADA AND THAT CONSISTENT WITH THIS POLICY THERE WERE NO CURRENT PLANS TO INITIATE BILATERAL AID PROGRAMS IN THE EASTERN CARIBBEAN.

4. GAIRY CLAIMED INTEMPERATELY THAT HE HAD SPOKEN WITH PRESIDENT FORD AND NELSON ROCKEFELLER AT A UN LUNCHEON IN NEW YORK AND THAT THEY APPEARED SYMPATHETIC TO GRENADA'S PLIGHT. THE PRIME MINISTER INDICATED HE COULD NOT UNDERSTAND WHY THE DEPARTMENT OF STATE WAS NOT PREPARED TO IMMEDIATELY PROVIDE BILATERAL AID TO MEET HIS NEEDS. HE SAID THE CDB DID NOT HAVE A MECHANISM TO PROVIDE EMERGENCY FINANCING AND THUS COULD NOT HELP GRENADA RESOLVE ITS SHORT TERM ECONOMIC DIFFICULTIES.

5. GAIRY THEN UNLEASHED A SERIES OF THINLY VEILED THREATS NOTING THAT GRENADA WAS "SMALL BUT COULD BE VERY LOUD" IN THE UN AND IN CARICOM. "GRENADA HAS THE SAME VOTE IN THE UN AS DID THE US" HE SAID AND "IF YOU TURN US DOWN WE

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WILL HAVE TO GO ELSEWHERE."

6. AMBASSADOR BOWDLER CONCLUDED STATING THAT THE US VALUED ITS FRIENDSHIP WITH GRENADA, THAT WE WOULD CONSIDER THE PRIME MINISTER'S REMARKS, BUT THAT HE HAD EXPLAINED IN ALL CANDOR OUR EXISTING ASSISTANCE POLICY.

7. THE PRIME MINISTER'S DISCUSSION WITH HERMAN KLEINE, AID

ASSISTANT ADMINISTRATOR FOR LATIN AMERICA FOLLOWED ESSENTIALLY IN THE SAME VEIN WITH MR. KLEINE EXPLAINING THAT THE TREND WAS TO PROVIDE US ASSISTANCE INCREASINGLY THROUGH INTERNATIONAL AGENCIES. MR. KLEINE INQUIRED ABOUT GRENADA'S INTENTIONS REGARDING THE IMF AND MULTILATERAL ASSISTANCE AGENCIES. GAIRY SAID THAT HE EXPECTED ADDITIONAL ASSISTANCE FROM THE UNDP AND THAT GRENADA WOULD EVENTUALLY JOIN THE IMF AND IBRD. KLEINE EXPLAINED THAT THE US HAD LOANED SUBSTANTIAL RESOURCES TO THE CDB SPECIAL

FUND, MUCH OF WHICH WAS STILL UNUTILIZED AND AVAILABLE FOR RE-LENDING TO THE LESS DEVELOPED CARIBBEAN MEMBER COUNTRIES SUCH AS GRENADA. HE ALSO NOTED THAT THE US HAD SUPPORTED AN AMENDMENT TO THE INTER-AMERICAN DEVELOPMENT BANK (IDB) ARTICLES OF AGREEMENT THAT WOULD HAVE ENABLED THE IDB TO PROVIDE FUNDS TO THE CDB FOR RELENDING TO EASTERN CARIBBEAN COUNTRIES. GAIRY PRESSED FOR IMMEDIATE BILATERAL ASSISTANCE. KLEINE SAID HE COULD GIVE NO ENCOURAGEMENT THAT BILATERAL ASSISTANCE WOULD BE PROVIDED. GDS. INGERSOLL UNQUOTE MAW

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